Depreciation in Value of Rupee

696. SHRI ASHOK MITRA: Will the Minister of FINANCE be pleased to state:

(a) the extent of depreciation in the external value of rupee brought about by the recent large-scale sale of the Indian currency by foreign institutional investors;

(b) the consequence of the depreciating rupee for the country's export and import earnings and long-terms debt repayment obligations; and

(c) whether this experience will induce Government to return to a regime of a fixed external value of the rupee?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) As on November 20, 1997, the exchange rate of the rupee vis-s-vis the US dollar recorded a depreciation of about 4.1 per cent from its level in March, 1997. The movements in exchange rate of the rupee reflect the net effect of demand and supply conditions in the foreign exchange market, which are affected by a host of external transactions, including net investments by Foreign Institutional Investors.

(b) Depreciation of exchange rate of the rupee is expected to have a positive effect on exports by increasing exporters' income. At the same time, it would restrain import demand by making imports costlier. As regards long term debt repayments, which are contractual in character, there would be a higher outgo in terms of rupees, although in terms of foreign currencies in which these payments are made, there would be no impact of the depreciation of the rupee.

(c) No Sir.

RBI Guidelines for Schemes for Rehabilitating Sick Small Scale Industrial Units

697. MISS SAROJ KHAPARDE: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Reserve Bank of India have issued guidelines to all the Public sector banks to prepare and implement schemes for rehabilitation of sick small scale industrial units in the country;

(b) if so, the names of public sector banks that have prepared such scheme and are also implementing it; and

(c) whether all the public sector banks have prepared these schemes?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) Reserve Bank of India (RBI) has reported that it has issued guidelines to Scheduled Commercial Banks to review all cases of viable sick small scale industrial (SSI) units periodically and take steps to put them under nursing programme.

(b) and (c) RBI has reported that all public sector banks are following its guidelines and taking steps to rehabilitate the potentially viable sick SSI units.

बैंकों और वित्तीय संस्थाओं में जमा राशियां

698. चौधरी हरमोहन सिंह यादव: क्या वित्त मंत्री यह बताने की कृपा करेंगे कि:

(क) गत तीन वर्षों में देश के राष्ट्रीयकृत बैंकों और राष्ट्रीय वित्तीय संस्थाओं में जमा के रूप में कुल कितना धन रखा गया है;

(ख) उनका राज्य-वार, बैंक-वार और संस्था-वार ब्यौरा क्या है; और

(ग) क्या यह सच है कि देश में निजी क्षेत्र में बैंक खोलने की अनुमति प्रदान करने के बाद सरकारी बैंकों और सरकारी वित्तीय संस्थाओं की जमा राशियां कम हो गई हैं?